CHAPTER II

VIEWING THE FUTURE OF NATO

The public and legislative bodies of the North Atlantic Treaty Organization nations have not reached any consensus on how, when, or even whether to expand the alliance. Because the Cold War ended and NATO is redefining its mission, there exists a wide spectrum of views on the alliance's future. Proposals range from dissolving the organization to expanding it widely and rapidly. The following sections summarize the main arguments advanced by their proponents.

NATO'S MISSION HAS ENDED: TERMINATE THE ALLIANCE

According to one view, the end of the Cold War made NATO's primary mission--defending against a Warsaw Pact attack--obsolete. The threat of a rival superpower (the Soviet Union) attacking and controlling the industrial heartland of Europe and its immense economic resources has disappeared. In the view of some analysts, in seeking to redefine its role, the alliance is attempting to undertake missions that are no longer needed or for which it is not well suited. Using NATO to justify keeping U.S. military budgets high as well as keeping U.S. troops in Europe is expensive and unnecessary. Moreover, according to that view, using NATO to keep Germany from reverting to nationalistic foreign and defense policies is also unnecessary because Germany now has a fairly small and declining defense budget and a nonexpansionist foreign policy.[1]

In the view of these critics, NATO, an organization that makes decisions by consensus, is not well suited to assist in peacekeeping and crisis management in areas outside its geographic boundaries. Such missions are the most likely scenarios in a post-Cold War world. Without the unifying threat of a Warsaw Pact attack on alliance territory, the interests of NATO allies will frequently diverge in such conflicts. For example, because of diverse views and national interests, the NATO allies had great difficulty agreeing on a course of action in Bosnia. Furthermore, as an organization developed for collective defense, NATO does not have the means to address the political and economic problems that cause ethnic conflicts.

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1. Ted Galen Carpenter, *Beyond NATO: Staying Out of Europe's Wars* (Washington, D.C.: Cato Institute, 1994), pp. 6, 36-37, 39, 112, 117-119.

In a post-Cold War world, critics of NATO believe that traditional military alliances should be replaced with more appropriate Europeanwide organizations that promote economic and political stability. Those organizations include the European Union (EU), which seeks the economic integration of Europe, and the newly strengthened Organization for Security and Cooperation in Europe, which emphasizes preventing conflicts, monitoring human rights, and peacekeeping. (One analyst argued that the Western European Union--the defense arm of the European Union--could supplant NATO in dealing with the regional conflicts likely to arise in Europe.)[2] Finally, keeping NATO only causes Russia to feel more isolated. In sum, those critics believe that, in a post-Cold War world, NATO is outdated.

WITHOUT A RESURGENT RUSSIA, RETAIN NATO IN ITS PRESENT FORM

Other analysts would prefer to leave the NATO structure unchanged. In their view, NATO does not need to expand to justify preserving an active U.S. military presence in Europe, keeping Germany in check, and taking on new out-of-area peacekeeping and crisis management missions.

According to this view, NATO, in its present form, acts as a counterweight to Russia's nuclear arsenal and remains a hedge against any aggressive behavior that might reemerge from that nation. Proponents of this view believe the West would have years of warning about such a resurgent military threat to East Central Europe.[3] They argue that Russia is currently not a threat to the region and is not significantly increasing its military capabilities. If needed, the protection of NATO's military could always be quickly extended to a threatened nation.[4]

Article V of the North Atlantic Treaty guarantees that if a NATO member is attacked, the other alliance members will come to its assistance. Expanding the alliance now, some believe, would threaten to embroil the United States in conflicts in a changing and potentially unstable region that has traditionally not been considered strategic to the West.[5] No military effort, for instance, was made to roll back the Soviet occupation of the East Central European region after World War II.

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2. Ibid., pp.124, 135.

3. Senator Sam Nunn, *Congressional Record*, October 10, 1995, p. S14847.

4. Michael Brown, "The Flawed Logic of NATO Expansion," *Survival*, vol. 37, no. 1 (Spring 1995), pp. 39, 41-42, 48.

5. Benjamin Schwarz, *NATO at the Crossroads: Reexamining America's Role in Europe* (Santa Monica, Calif.: RAND, January 1994), p. 4.

An Article V commitment to these new members effectively extends NATO's nuclear guarantee to them. One view argues that this guarantee lacks credibility because the United States would not risk a nuclear counterattack on its homeland to provide a nuclear shield for East Central European nations.[6]

Critics of expansion suggest that it might rekindle the Cold War by "drawing a new line in Europe" farther to the east. Expansion would make Russia feel threatened and more aggressive, spur it to undertake a military buildup, and undermine its internal pro-Western reform movement.[7] Expansion could alter the balance of power in Europe against Russia, causing it to reject arms control agreements--abrogating the Conventional Forces in Europe (CFE) Treaty or failing to ratify the second Strategic Arms Reduction Talks (START II) Treaty--or even to build up its armed forces. If it could not afford to build up conventional forces, it might put its strategic nuclear forces on a higher state of alert or renew deployment of tactical nuclear weapons.[8]

In other words, according to this view, expanding NATO might make an autocratic and aggressive Russia a self-fulfilling prophecy. Any added security achieved by expanding NATO would be more than offset by undermining the most important bilateral relationship the United States has with any country in the world. In contrast, if NATO declared that it would expand only if Russia became aggressive, Russia would have an incentive to refrain from doing so.[9]

In addition, analysts point out that admitting only some East Central European countries into the alliance might have ill effects on those left out. Nations that might potentially be excluded--the most important of which is Ukraine--might fear being caught on the other side of a newly divided Europe.[10] Those nations would then have little incentive to continue their political and economic reforms and

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6. Karl-Heinz Kamp, "The Folly of Rapid NATO Expansion," *Foreign Policy*, vol. 98 (Spring 1995), p. 124.

7. Brown, "The Flawed Logic of NATO Expansion," pp. 41-42.

8. Senator Sam Nunn, *Congressional Record*, October 10, 1995, p. S14847.

9. Ibid.

10. Charles Kupchan, "Expand NATO--And Split Europe," *New York Times*, November 27, 1994, p. A-21; Michael Mandelbaum, "Preserving the New Peace: The Case Against NATO Expansion," *Foreign Affairs*, vol. 74 (May/June 1995), p. 11; and Paul Gallis, *NATO: Enlargement in Central Europe* (Congressional Research Service, November 10, 1994), p. CRS-9.

might even develop closer economic, political, and security ties with Russia (either voluntarily or as a result of increased Russian pressure).

To ensure their stability, according to this view, the principal need of the emerging democracies of East Central Europe is economic development. Becoming members of the European Union is more important for them than is joining NATO.[11] In fact, it is unclear how becoming members of NATO--a military alliance--enhances the chances for political and economic reform in those nations. Unlike post-World War II Germany, no severe military threat undermines their prospects for economic development and growth. In fact, joining NATO could impose additional military requirements (as described in Chapter III) that would increase the defense burdens of the new members, taking resources away from the economic development needed to ensure stability and security.

Critics of expansion also advance the argument that enlarging NATO will dilute the cohesiveness and military effectiveness of the alliance.[12] Without the unifying Soviet threat, agreeing on operations beyond NATO boundaries--such as the conflict in Bosnia--is difficult enough with the current membership of the alliance, let alone an expanded one.[13]

In addition, in a time of post-Cold War reductions in armed forces and defense budgets, expanding NATO's territory means that a gap would open between NATO's increasing commitments and its declining resources to fulfill them. Current member nations would incur additional costs to help defend new members that have obsolescent militaries.[14] The Visegrad states have few resources to improve their armed forces, thus making them consumers of security. Finally, defending some new members--particularly Poland, which has a large territory and flat terrain--may present a challenge for the alliance.

EXPAND NATO, BUT SLOWLY

A third point of view espouses expansion but cautions that there is no reason for NATO to rush into the process. Proponents of this approach believe that the alliance

11. Brown, "The Flawed Logic of NATO Expansion," pp. 46-47.

12. Fred Ikle, "How to Ruin NATO," *New York Times*, January 11, 1995, p. A-21.

13. Schwarz, *NATO at the Crossroads*, p. 4.

14. Jim Hoagland, "NATO: The Case for Holding Back," *Washington Post*, June 22, 1995, p. A-20.

could benefit from expanding slowly while mitigating any negative reaction from Russia. The Clinton Administration and the alliance support this view.[15]

According to this view, expansion would fulfill a moral obligation to protect the nascent democracies of East Central Europe and export stability to that region by providing a security umbrella under which to consolidate political and economic reform in those nations. Moreover, to be admitted into the alliance, the East Central European nations would have an incentive to undertake democratic and economic reforms, consolidate civilian control over the military, improve human rights, and resolve disputes with their neighbors. In short, instead of pulling NATO into an unstable region, expanding the alliance would help stabilize the area.[16]

As a further benefit, expanding NATO to include the Visegrad states would extend the alliance's "shadow of stability" into nearby countries, such as Ukraine, Romania, and the Baltics and would give them an incentive to reform their political and economic systems. Therefore, supporters of expansion believe that, far from being threatened by NATO expansion, Russia should instead benefit from the added stability in a traditionally volatile region near its borders.[17]

According to this view, during the Cold War, the admission of West Germany into NATO promoted stability and reform in that country and anchored it firmly in the Western camp. Proponents argue that membership in NATO helped to stabilize democracy and placed a brake on any tendency toward authoritarian rule in Spain, Portugal, Greece, and Turkey.[18] They also contend that the alliance muted conflicts between Greece and Turkey.[19] They believe that admission into NATO could provide the same stability for the East Central European nations. To improve their chances to get into NATO, Hungary and Slovakia have already negotiated agreements that confirm their existing borders and ensure the rights of the Hungarian

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15. Strobe Talbott, "Why NATO Should Grow," *New York Review of Books*, August 10, 1995, pp. 29-30; statement by Richard Holbrooke, Assistant Secretary of State for European and Canadian Affairs, before the Subcommittee on AirLand Forces, Senate Armed Services Committee, April 5, 1995, p. 17; and North Atlantic Treaty Organization, *Study on NATO Enlargement* (Brussels: NATO, September 1995).

16. Talbott, "Why NATO Should Grow," pp. 27-29.

17. Ibid, p. 30.

18. Ronald Asmus, Richard Kugler, and F. Stephen Larrabee, "Building a New NATO," *Foreign Affairs*, vol. 72 (September/October 1993), p. 30.

19. Talbott, "Why NATO Should Grow," p. 28.

minority in Slovakia; efforts at reaching a similar agreement between Hungary and Romania are in progress.[20]

This view holds that stabilizing East Central Europe would fill the power vacuum existing in a traditional area of competition between two great powers--Russia and Germany. If that power vacuum is not filled, both of those nations will try to fill it, perhaps leading to another major conflict in Europe.[21] Expansion would help contain the potential threat farther east that a resurgent and aggressive Russia would pose. It would also contribute to stability on Germany's eastern borders, eliminating the need for Germany to unilaterally ensure its own security by making its foreign and defense policies more nationalistic. (Although somewhat divided on the issue, German policymakers are generally proponents of expansion.)

Some analysts seem to support expansion at a measured pace exactly because they accept the argument that NATO, as currently organized, has little role to play. NATO must expand or become irrelevant by defending borders that are no longer threatened. According to one Administration official, if NATO, the principal mechanism for American involvement in European security affairs, is to remain useful, it must expand.[22]

These observers believe that consolidating the gains of the Cold War, however, should be done slowly to mitigate the damage to the West's relations with Russia. They argue that, although Russia should not have a veto over expansion, enlargement should be slow in the hope that Russian opposition will be muted. To lessen Russia's concerns and recognize it as a great power, they have proposed creating a special relationship between Russia and NATO.[23] Such a relationship could include a nonaggression pact.

EXPAND NATO MORE QUICKLY

Some observers argue that a limited window exists to expand NATO. In their view, Russia is now weak militarily, economically, and politically. But that situation may

20. Ibid., p. 28.

21. Asmus, Kugler, and Larrabee, "Building a New NATO," pp. 29-31; and briefing by Richard Kugler of RAND to the Congressional Budget Office, December 15, 1994.

22. Talbott, "Why NATO Should Grow," p. 27.

23. Statement of William Perry, Secretary of Defense, before the House National Security Committee, January 27, 1995, p. 5.

not always exist. If NATO waits until an aggressive Russia returns, it will probably be too late to expand.[24] In any future East-West crisis, a strong and strident Russia might intimidate either NATO or East Central European nations, thus inhibiting the desire to expand. From a Western perspective, the outlook for Russia's political and economic reform and pro-Western foreign policy is dim; expansion then needs to proceed quickly to consolidate the gains of the Cold War before it is too late. According to this view, Russia does not feel threatened militarily by an expanded NATO, but fears a loss of influence in its traditional sphere in the states of the former Warsaw Pact.

Also, instead of diminishing the influence of the extreme nationalist forces in Russia, forgoing or delaying expansion to appease those groups will only embolden them.[25] Furthermore, expanding the alliance should not be delayed until after the European Union has admitted the East Central European nations. Because the United States is not a member of the EU, waiting for that organization to act would be abdicating America's traditional role of leadership in Europe.

EXPAND NATO WIDELY AND INCLUDE RUSSIA

Some analysts argue for a policy of admitting many nations, even Russia. Advocates of this policy, like those who wish to dissolve NATO, believe that in a post-Cold War world, the current regime for European security is outdated. Russia, because of its importance as a European power, should be included in any post-Cold War security regime. They argue that a stated desire to include Russia in the alliance if it met certain criteria (for example, creating a democratic society and free market economy) would encourage political and economic reforms and bolster the standing of Russian factions advocating such reforms.[26]

According to some proponents of that view, the policy would transform NATO from a military alliance, which emphasizes collective defense and has a narrow membership, to a Europeanwide collective security organization that emphasizes political dialogue, crisis management, and peacekeeping. This solution is modeled on the settlement of the Congress of Vienna after the Napoleonic Wars,

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24. Henry Kissinger, "Expand NATO Now," *Washington Post*, December 19, 1994, p. A-18.

25. Zbigniew Brzezinski, "A Plan for Europe," *Foreign Affairs*, vol. 74 (January/February 1995), p. 40; and George Weigel, "Creeping Talbottism," *Commentary*, vol. 97 (March 1994), p. 40.

26. James Baker III, "A NATO Carrot to Solidify Reform," *Washington Times*, December 6, 1993, p. A-18.

which brought the defeated France back into the European security system and led to a century with no major Europeanwide war. In contrast, the Treaty of Versailles after World War I, which excluded Russia and Germany from the security system, helped generate the conditions that led to World War II.

The Clinton Administration may be moving closer to that view. According to a press report, President Clinton sent Russian President Boris Yeltsin a letter indicating that the United States has no objection in principle to Russia's entering the alliance. The report, however, quotes an unnamed Administration official as saying that it was important to show that the expansion process is open, inclusive, and not aimed at excluding Russia even though no one expects Russia to be admitted in the near future.[27]

Despite the spectrum of views on the future of NATO, recent Congressional debate has centered on the alternatives that expand the alliance without including Russia. In analyzing military options to expand the alliance and estimating their costs, the Congressional Budget Office (CBO) assumed that the alliance would expand slowly and not include Russia.

ANALYZING MILITARY OPTIONS FOR EXPANSION

Article V of the North Atlantic Treaty pledges that an attack on one alliance member is an attack on all of them. If one member is attacked, its allies will take action, possibly including the use of armed force. Giving such a guarantee will necessitate that NATO plan for the defense of new members.

Officials associated with NATO and the U.S. Joint Chiefs of Staff (JCS) stated that no military planning has been done on how potential new members could be defended. They maintain that such planning is inappropriate before a decision is made on which nations to admit and when. Yet, according to NATO's study on enlargement, that factor will eventually be considered when deciding which country or countries to admit.[28] At the same time, officials of NATO and the Department of Defense claim that NATO has no immediate plans to make an estimate of the total cost of defending these new members. However, an estimate of the potential costs is critical to informed debate on whether the alliance should expand. Those costs could be substantial and for that reason deserve analysis.

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27. Michael Dobbs and R. Jeffrey Smith, "U.S. Offers Assurances on NATO," *Washington Post*, May 7, 1995, p. 1.

28. North Atlantic Treaty Organization, *Study on NATO Enlargement*, p. 15.

Thus far, the public debate on expansion has focused on the pros and cons of expansion without the advantage of much available data on the costs of doing so. CBO attempted to fill this gap by examining five illustrative options that present varying approaches to providing for the defense of the new members, each building on the previous one in scope and cost. The analysis explores the military value of each option, determines what equipment and infrastructure would be needed to carry it out, develops a rough estimate of its cost during peacetime, and estimates how costs would be shared among the United States, current NATO allies, and new alliance members. For its analysis, CBO started with six premises:

- The four Visegrad states would be the first nations invited to join NATO;
- Plans for a defense of those nations would assume an uncertain threat;
- Military options would take advantage of the resources NATO already has in Europe (mainly those based in Germany);
- Costs of expansion are calculated for the 1996-2010 period;
- Estimates of total costs for expansion are made from the costs of component parts; and
- New member states would be expected to assume a substantial portion of the costs of expansion, with existing NATO allies providing significant assistance.

The Visegrad States Will Be Admitted First

Although NATO has not publicly stated which countries will be admitted first, most of the public debate to date has centered around admitting Poland, the Czech Republic, Slovakia, and Hungary because of their proximity to alliance territory and their political and economic reform programs. Those nations are the focus of the paper's analysis of military options and cost estimates of those options. Appendix A discusses the implications of expanding the alliance further into Slovenia, Romania, Ukraine, and the Baltic countries of Estonia, Latvia, and Lithuania.

Assume an Uncertain Threat

Assessing the future threat to East Central Europe is a difficult exercise plagued with uncertainty. The most likely problems are conflicts similar to the one in Bosnia, in

which two or more East Central European countries are engaged in disputes over borders or the treatment of ethnic minorities. The most severe threat (but, according to experts, an unlikely one) would be the invasion of one of those nations by an aggressive and militarily powerful Russia. CBO is not predicting a return of such a Russia or its invasion of East Central Europe. Military planners, however, routinely plan against worst-case threats. Thus, CBO believes it valuable to analyze how an expanded NATO might respond to that potential threat.

CBO assumes that the threat to East Central Europe from forces in western Russia is likely to remain constrained by the overall limits on weapons contained in the CFE treaty. That treaty limits the number of armored vehicles, artillery, tactical aircraft, and attack helicopters that Russia can have west of the Ural Mountains.

Although Russia could abrogate the CFE treaty by building up its forces west of the Urals or moving some of its forces from those countering China in the Far East, either step would entail substantial risk and cost substantial amounts of money that the financially strapped Russian government probably does not have; they would also give NATO ample warning of a resurgent threat. Building up forces would entail procuring new equipment and generating new units and training them. Moving forces from the Far East would involve building new bases west of the Urals. The Russians already had to disband units returning from Eastern Europe because of insufficient bases to house them in western Russia. Furthermore, an invasion of a Visegrad state would generate substantial costs--for example, replacing expended fuel and spare parts and repairing damaged equipment.

The Defense Intelligence Agency estimates that by 2005 Russia will have reduced its forces west of the Urals from about 31 divisions and 44 regiments of tactical aircraft to 22 divisions and about 37 regiments of tactical aircraft. Unless the economically strapped country invests many more resources in defense during the next decade, even the 22-division force will probably vastly overstate the threat Russian forces pose to the nations of Eastern and Central Europe. The breakup of the Soviet Union threw the still large Russian armed forces into chaos. Because the Soviet armed forces were positioned west toward NATO during the Cold War, the best fighting units were absorbed into Ukrainian and Belarussian militaries when the Soviet Union collapsed or were dissolved as they returned from Eastern Europe. For example, only about half of the Soviet Union's combat aircraft were retained by Russia. Similarly, the best military facilities are now in Ukraine and Belarus or were abandoned in Eastern Europe.

In addition, the readiness and morale of Russian forces have declined dramatically, as their performance in Chechnya shows. According to a NATO expert on Russian military developments, forces equivalent to only about seven of the 22

divisions west of the Urals are currently combat ready. Equipment is decaying because it is not being maintained or because obsolete items are not being replaced by procurement. Also, housing for troops is in short supply, and training has been reduced because of shortages of personnel, fuel, and resources.

In fact, Russia's defense budget has declined substantially. Most analysts agree that it would take a period of years to rebuild a Russian force capable of successfully attacking a Visegrad state, giving the West ample warning time. Although it would take NATO some time to move its forces from Western Europe into defensive positions in the Visegrad states, it would take the Russians longer to ready their forces for an attack and launch it against those states.

Even a resurgent Russia with a nationalist government would face formidable military and political obstacles in attacking any one of the Visegrad states. With the breakup of the Soviet Union, Russia no longer even borders the Visegrad states (with the exception of the small, isolated Russian enclave of Kaliningrad that borders Poland and Lithuania; see Summary Figure 1). The bulk of any Russian force invading Poland would have to travel through the Ukraine, Lithuania, or Belarus, thus necessitating long supply lines back to Russia. Ukraine, which has tensions with Russia and has sizable armed forces, might militarily oppose any such transit. Although its capability to slow a Russian advance would be limited, the Lithuanian population might also resist. And if Russian forces could advance into Poland only through Belarus, the potential invasion route would be more certain and would allow NATO to be more efficient in deploying its intelligence assets and weapons.

A Russian attack on the insulated Czech Republic would be even more difficult because it would have to proceed through Lithuania, Belarus, or Ukraine and then either through Poland or mountainous Slovakia. Russian troops would also have to traverse Ukraine to attack Slovakia or Hungary.

Even if a credible invasion force could be mustered, domestic support in Russia for an invasion of a Visegrad state is questionable. Currently, Russia's leaders and population are preoccupied with the state of the Russian economy. Furthermore, if the Russian government garnered little public support for subduing the breakaway region of Chechnya in the Russian Republic itself, then it might receive even less support for invading a state outside of the former Soviet Union.

In a post-Cold War world, lesser threats to the Visegrad nations are very unpredictable. Because of its proximity to the unstable Balkan region, Hungary may face the most potential sources of instability. The most likely threat to Hungary is probably a conflict with Romania over the Hungarian minority living in that country. That threat may be receding somewhat because the two nations are trying to

negotiate a settlement. Similarly, a Serbian-Hungarian conflict could arise over the Hungarian minority living in Serbia. Although Serbia is currently preoccupied with the situation in Bosnia, a future Serbian-Hungarian conflict is not out of the question. During the war in the former Yugoslavia, Serbia bombed a Hungarian border town.

Military Options Would Take Advantage of the Resources NATO Has in Europe

The military options that CBO formulated that would help defend the Visegrad states during a crisis would draw principally on forces that NATO already has in Europe (mainly those based in Germany). That premise was adopted for a number of reasons: significant uncertainty exists about any specific threat to those states, declining defense budgets in alliance nations indicate an unwillingness to increase force structure, and existing NATO assets based in Germany are still formidable.

Even though military forces in Europe have been reduced, the formidable alliance forces remaining include 11 ground divisions currently stationed in Germany (seven German divisions, one British division, one French division, one and one-third American division equivalents--four brigades--and one-third of Belgian and Dutch divisions--one brigade each) and 13½ tactical air wings (10 German wings, one British wing based in Germany, and two and a half American wings based in Germany, Italy and the United Kingdom). Equipment for one and two-thirds more U.S. divisions--five more brigades--is prepositioned in Western Europe. In time of crisis, troops would be flown from the continental United States to operate the equipment. Because CBO assumed that one German ground division and two air wings would be retained in Germany for defensive purposes, allied forces available for use in a crisis would total 11⅔ divisions and 11½ air wings.

Other allied forces coming from their homelands--for example, French or British forces--could be substituted for some of the German forces without significantly altering the costs during peacetime of CBO's military options. Those forces, however, would not reach the Visegrad nations as quickly as German forces because Germany is closer to any potential front.

Because the threat and potential war scenarios are uncertain, CBO did not attempt to conduct a force-on-force analysis of warfare involving an expanded NATO. But comparisons of a defender's situation in Poland or the other Visegrad states with other familiar situations--those faced by NATO in Germany today or by the allied coalition during Operation Desert Shield--lead CBO to believe that the resources NATO now has in place would be sufficient to make an Article V commitment to the Visegrad states credible. A worst-case scenario--an attack by an aggressive and militarily potent Russia--might include the 22 Russian ground

divisions (24⅔ divisions if the forces of Belarus were added) west of the Ural Mountains, brought back up to the levels of readiness achieved during the Cold War. Because of the Russian financial constraints cited earlier, CBO did not assume that Russia would abrogate the CFE treaty by augmenting its forces west of the Urals.

When the quality of weapons is taken into account, Russian ground forces would be equivalent to about 14.9 armored division equivalents (ADEs). If the ground forces of Belarus were added, the threat would increase to about 16.7 ADEs. (An ADE score for any division compares the quantity and quality of its weapons with those of a U.S. armored division, which has a score of one.) In contrast, the allied ground force of 11⅔ divisions has an ADE score of about 8.3. Thus, even excluding the upgraded Visegrad ground forces of the future (those forces would be hard to assign an ADE score because their militaries are in transition), the ratio of Russian to NATO ground forces might be 1.8 to 1. If the forces of Belarus were added, the ratio would still be only 2 to 1.

After post-Cold War force reductions, NATO has deemed that a similar force would be adequate to mount a defense of Germany. Hence, it stands to reason that a 1.8 to 1 ratio of ground forces, improved by adding the enhanced Visegrad forces to NATO's score, should provide at least the same level of defense to new NATO states as to Germany.

Operation Desert Shield is another military example that offers insight into the adequacy of existing NATO forces for the defense of the Visegrad states. During that operation, coalition forces prepared to defend Saudi Arabia against a possible attack by Iraq before offensive operations were undertaken in Operation Desert Storm. The ratio of Iraqi ground forces to coalition ground forces during this defensive phase of the Persian Gulf War--1.6 to 1--was roughly similar to the aforementioned Russian/NATO force ratio modified to include enhanced Visegrad forces.

In certain key respects, a war pitting NATO against Russia in the most demanding East Central European scenario--Russian mechanized forces attacking Poland--shares similarities with Operation Desert Shield. In both instances, the opponent operates with heavily mechanized forces, Soviet-designed equipment, and centralized Soviet-style fighting doctrine. As in Desert Shield, the defending force would be highly trained and outfitted with the most modern Western equipment. Because of the superiority of Western tactical aircraft, CBO assumed that NATO air forces would achieve air superiority after a few days and begin to attack Russian ground forces.

Although open flat terrain is usually a disadvantage to the defender, such terrain in both Poland and Saudi Arabia is ideal for using air power to kill enemy armored formations, operating allied mechanized forces, and conducting a defense that emphasizes mobility and trades space for time. As in Desert Shield, the open terrain would also allow the efficient use of NATO's superior logistics systems and make attack routes visible to NATO's reconnaissance systems, accentuating its advantage in modern command, control, communications, and intelligence systems. In both cases, however, some strategic objectives lie fairly close to the front--the oilfields in northeastern Saudi Arabia and Poland's capital, Warsaw. Differences in the Polish and Desert Shield scenarios include the greater readiness of Russian forces compared with those of Iraq (provided Russian forces are brought up to Cold War levels, as assumed in the worst-case scenario), more potent Russian air power, and a major Polish river (the Vistula) that NATO forces would be able to use as a defensive barrier.

Of course, the uncertainties on both sides of the balance of forces make it impossible to determine exactly which NATO forces could effectively defend Poland against a resurgent Russia. But the case of Operation Desert Shield indicates that under circumstances that were similar in many key respects, the United States military believed it would be able to conduct an adequate defense with a similar ratio of forces. Therefore, the Desert Shield example provides further evidence that the 11⅔ divisions and 11½ air wings available to NATO to defend the region could provide an adequate defense.

In addition, a force that can provide a sufficient defense against the worst-case threat will probably be more than adequate to deal with lesser contingencies in the region--for example, any NATO intervention in a Romanian conflict with Hungary. Those lesser contingencies would probably feature much less potent attacking forces than those of Russia. In addition, in some cases--for example, a NATO defense of the Czech Republic or Slovakia--rough terrain and a smaller territory to defend might allow an adequate defense with fewer forces.

Assumptions Were Made in Measuring the Costs of Expansion

CBO calculated the costs of expansion over the years from 1996 through 2010. Even before they were admitted to the alliance, the Visegrad nations would probably continue to improve their militaries and defense infrastructure and learn to operate more closely with NATO forces. Also, they would most likely continue to receive military assistance during the transition period so that they could get ready to be part of the alliance. Therefore, all of the costs to prepare those nations for entry into

NATO are included in the costs of expansion. CBO's estimate of the costs of expanding NATO involved two steps:

- Making a rough estimate of the total costs of expansion by estimating the costs of its component parts; and

- Allocating costs among existing members, new members, and projects funded by the alliance. Because such allocations occur as a result of negotiation among member nations in a complex political and institutional context and because such negotiations have not yet been completed, CBO had to make some assumptions about how costs would be distributed.

Estimates of Total Cost for Expansion Are Made from the Costs of Component Parts. CBO made rough estimates of the costs of expansion by first examining what specific steps would be needed to carry it out militarily--for example, improving military forces and infrastructure. CBO then estimated the cost of each of those component parts. In the vast majority of cases, the cost estimates for the component parts--such as the cost to improve air defenses or to build NATO facilities at air bases in the Visegrad states--were based on data obtained from the U.S. military services.

When assuming that existing allies and Visegrad nations upgraded their forces (for example, to increase their ability to project power), CBO estimated costs by using the U.S. military's assessment of what it would cost to make similar improvements for its forces. Adjustments were then made to reflect the smaller size of military units in the foreign nations. When CBO assumed that the Visegrad nations purchased new weapons, the costs of doing so were based on the cost of buying U.S. weapons--albeit not the most advanced ones. (U.S. arms exporters, however, were only assumed to garner about 47 percent of those purchases.) In a few cases--for example, the costs to improve ports and the road and rail systems in the Visegrad states--CBO obtained data from international organizations such as the World Bank and the European Bank for Reconstruction and Development. Those data were then adjusted to reflect the assumption that defense spending would fund only a small portion of those expenses.

Because NATO has not made a decision on which nations to admit and what specific steps to take in carrying out expansion, the estimates are necessarily hypothetical and rough. Nonetheless, this step is the more precise of the two. Determining how those expenses are shared among nations involves making some assumptions.

How Expenses for Expansion Are Assumed to Be Shared. The United States would not bear the entire cost of NATO expansion. CBO assumed that expenses would be shared among other NATO countries as well as the recipients of the assistance. Individual NATO countries would cover some of the costs as bilateral military assistance. NATO's Security Investment Program (SIP) might fund other projects.

The SIP allows member nations to pool their funds to finance projects to improve the alliance's infrastructure. Projects eligible for funding by the SIP could include building or upgrading facilities at airfields, ports, air defense installations, command and control centers, sites for prepositioned stockpiles of military equipment, and training and exercise facilities. Formerly the NATO Infrastructure Fund, the SIP takes in contributions from alliance members (the United States currently pays for about 28 percent of the program) and finances projects that are "over and above those which could reasonably be expected to be covered from national resources."[29] Because of declining defense budgets within the alliance after the Cold War, NATO's 1993 rules that formulated the "over and above" criterion for eligibility represent a more selective approach to funding projects than before. Military infrastructure that a member nation would build and use for its own forces without added requirements for use by NATO is no longer eligible for SIP funding.

However, exceptions for critical infrastructure improvement projects do exist. Those exceptions allow projects to be eligible for funding when they respond to risks or geostrategic conditions in certain regions in the alliance. Furthermore, those exceptions could apply to countries that cannot afford to fund infrastructure projects. In addition, according to an official in the office of NATO's Comptroller for Infrastructure, because dissention still exists in the alliance about the "over and above" principle, it would probably be loosened or even renegotiated if expansion occurred.

The eligibility of a project for financing, however, does not guarantee that the project will be funded. The SIP budget has declined 47 percent from 1989 to a total of about $900 million in 1994. Also, projects in new member states would have to compete with others elsewhere in the alliance for scarce funds. Therefore, how many of the projects in the Visegrad states would actually be financed through the SIP remains unclear.

Despite expectations by the alliance--and consequently a CBO assumption--that the Visegrad nations would finance a substantial portion of the costs of expansion, their ability to do so is in doubt. Their economies are in transition from

29. North Atlantic Council, *Renewal of the Infrastructure Programme: Note by the Secretary General* (Brussels: NATO, June 18, 1993), p. 1.

communism to capitalism and their defense budgets have fallen greatly from Cold War levels (see Appendix B). Even if economic growth allowed the Visegrad states to spend more on defense, NATO allies would probably need to contribute significantly to defray the costs of expansion by either increasing the SIP budget or providing bilateral military assistance to those nations. If no help is given to the Visegrad nations through either of these channels, over time they will probably make little progress in upgrading their military infrastructure and in making their forces compatible with those of NATO. If so, NATO's ability to fulfill its Article V commitment to defend those nations might be called into question.

Yet existing NATO members may be reluctant to provide such assistance. NATO's study on enlarging the alliance notes that expansion will cause the alliance's budget to increase. According to the study, however, the amount of the increase will depend on the extent of participation by new members. The study is unclear about how much more existing members will have to pay into the budget to help finance expansion.

The NATO study also argues that the financial effects on the SIP of expansion in the short term will be minimal and not interfere with existing infrastructure projects. During that time, according to the study, the capacity of the Visegrad states to absorb projects would be limited; also, the projects that would be undertaken would take years to carry out. CBO looked at expansion over the longer term (through 2010) and found the requirements for new infrastructure to be higher. Furthermore, according to a State Department official and a high-level NATO official involved in infrastructure issues, key allied nations are reluctant to increase their contributions to the SIP.

Some NATO nations have already established bilateral military assistance programs associated with the Partnership for Peace program. Information on the scope and specifics of that assistance is not publicly available; in fact, many allies will not provide information to the United States government. According to one State Department official who monitors such programs, however, the United States is providing most of the bilateral military assistance going to East Central Europe. According to one NATO official, it was difficult even getting allied nations to agree to slight increases in NATO funding needed for PFP.

If that pattern continues as NATO expands, the United States and Germany might have to finance most of the costs of enlarging the alliance, since they are expansion's most enthusiastic advocates. Many of the other allies--including France and the United Kingdom--have been lukewarm about expanding the alliance. Therefore, they might be reluctant to contribute significantly to the costs of doing so. According to Strob Talbott, the Deputy Secretary of State, the Clinton Adminis-

tration wants to expand NATO because a strong alliance is the conduit through which the United States exercises its leadership role in Europe.[30] Enlarging the alliance allows Germany to become insulated by surrounding its eastern borders with NATO states, thus removing it from the frontline position it had in Europe during the Cold War.

Therefore, CBO made the following assumptions about distributing the costs of expansion (see Table 1). For expenses that would normally be a national responsibility--such as upgrading and training local forces and improving national infrastructure--in most cases CBO assumed that the Visegrad nations would pay the bulk of the expenses but would need some assistance. For infrastructure projects, the Visegrad nations were assumed to pay 70 percent of the expenses, Germany and the United States 10 percent each, and the SIP 10 percent. Those somewhat arbitrary percentages were used because CBO assumed that the rest of the allies convinced the two most enthusiastic advocates of expansion--Germany and the United States--to pay for most of the expenses. CBO assumed, however, that each of the two nations contributed only 10 percent of the expenses because their defense budgets have dropped in recent years, reducing their willingness to contribute toward expansion. If a project has both infrastructure and noninfrastructure aspects, the SIP was also assumed to pay 10 percent (in other words, the same percentage of contributions used for infrastructure projects apply).

CBO assumed that the SIP financed 10 percent of the expenses because the official in the office of NATO's Comptroller for Infrastructure predicted a loosening of the "over and above" criterion if expansion occurred. Indeed, even under the current guidelines governing the SIP, the criterion can be loosened for countries that have difficulty paying for infrastructure. Currently, the United States pays about 28 percent of SIP expenses--excluding contributions by France and Spain, which will soon be adding funds to the program. With added contributions, France will be responsible for 12 percent and Spain will be responsible for a little over 3 percent. CBO assumed that the four new alliance members together would contribute 4 percent. That assumption was used because each nation usually negotiates its share based mainly on its GDP. With those assumptions, CBO calculates that the U.S. share of the SIP would decline to 22 percent. Thus, its total contribution toward Visegrad expenses would amount to 12 percent (U.S. direct financing of 10 percent of Visegrad expenses plus 2 percent more through SIP funding; the 2 percent represents U.S. financing of 22 percent of the 10 percent of Visegrad expenses that the SIP would cover).

30. Talbott, "Why NATO Should Grow," pp. 27-28.

For noninfrastructure projects, such as training and upgrading national forces, in most cases CBO assumed that the Visegrad nations would pay 80 percent of the costs and Germany and the United States would pay 10 percent each. Again, those percentages are somewhat arbitrary but are based on the desire of those two nations to expand the alliance while restraining their defense spending. Because such projects make no improvements in infrastructure, no financing by the SIP was assumed.

TABLE 1. DISTRIBUTION OF EXPENSES FOR EXPANDING NATO (In percent)

Expense Category	U.S. Share	Share of Allies	Share of Visegrad Nations	SIP Share	Total
Expenses Visegrad Nations Would Normally Be Expected to Pay					
Infrastructure projects[a]	10	10[b]	70	10	100
Noninfrastructure projects[c]	10	10[b]	80	0	100
Combination of infrastructure and non-infrastructure projects	10	10[b]	70	10	100
Expenses Financed by the SIP[d]	22	74	4	n.a.	100
Expenses Financed by Existing Members	100	or 100	n.a.	n.a.	100

SOURCE: Congressional Budget Office.

NOTE: NATO = North Atlantic Treaty Organization; SIP = Security Investment Program; n.a. = not applicable.

a. For certain basic expenses that the Visegrad states would incur--such as stockpiling, and storing ammunition--CBO assumed those nations would pay the entire cost.

b. This cost accrues only to Germany.

c. For NATO exercises, the alliance's military budget currently pays a portion of the expenses--for example, some of the costs to set up the exercise. CBO assumed the United States, Germany, and NATO each paid 10 percent, leaving 70 percent for the Visegrad states to finance.

d. The costs for operating and maintaining infrastructure created with SIP funds is usually paid by the alliance's military budget. With an expanded alliance, CBO assumed the U.S. share of the military budget was 23 percent, the allied share was 73 percent, and the Visegrad share was 4 percent.

CBO assumed that all expenses eligible for SIP funding under the "over and above" guidelines would actually be funded through that program (for example, prepositioning stockpiles of military equipment). The SIP budget would be increased to fund such requirements as well as the 10 percent of Visegrad infrastructure costs cited above (the loosening of the "over and above" criterion). The United States or its existing allies are assumed to finance other expenses--such as improvements to their own forces required to defend the Visegrad states.